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### EMPLOYMENT AFTER RETIREMENT AGE

#### 1. GENERAL

- a. Upon retirement, employees are expected to sever active connections with the Agency. There will be instances, however, in which continuation in service is necessary or clearly in the best interests of the Agency.
- b. There are four ways in which the services of an employee may be continued after reaching retirement age:
- (1) His appointment may be extended upon approval of the Director [redacted].
- (2) The employee after retirement may be reemployed with or without a break in service by an appointment of specified duration [redacted] or by recall by the Director [redacted].
- (3) The employee's staff status may be converted to that of contract employee prior to retirement. Such conversion will usually continue normal employee benefits such as retirement, FEGLI, and health benefits during the term of the contract.
- (4) The employee, after retirement, may be rehired as a contract employee, independent contractor, or consultant.

#### 2. POLICY

##### a. CONTINUATION IN SERVICE BEYOND RETIREMENT AGE

- (1) An employee may be extended in service as a staff employee (1b(1) above) or may be converted to contract employee status to perform staff-type duties (1b(3) above) only when the individual has skills and knowledge required by the Agency not available in other personnel on a timely basis. Requests shall be explained and attested to by the Operating Official concerned and shall require the approval of the Director. Extensions shall be for a stipulated term, usually not more than one year unless renewed.

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- (2) In instances where there are personal circumstances which clearly substantiate that retirement will constitute an extraordinary personal hardship and it is established that the individual can be fully employed, the employee may be retained in service with the approval of the Director. Requests should be submitted at the earliest possible date to the Director of Personnel.

**b. REAPPOINTMENTS**

Persons who have optionally retired earlier than Agency retirement age may be reappointed if there is a requirement for their particular skills and knowledge not available among on-duty personnel on a timely basis. Such reappointment will be for a stipulated term not to exceed the date of attainment of Agency retirement age. Continuation in service thereafter shall be in accordance with 1b(1), (2), or (3) above.

**c. ORIGINAL APPOINTMENTS**

Persons beyond Agency retirement age will not be originally appointed without the approval of the Director. Such approval will only be granted where the individual possesses rare and outstanding qualifications which the Agency requires.

**d. CONTRACTUAL EMPLOYMENT OF ANNUITANTS**

- (1) No contract employee shall perform staff-type duties. Such duties are defined as employee duties performed in Agency facilities, using classified Agency materials and performed pursuant to instructions and supervision of staff employees, unless positions requiring such duties have been provided for in approved projects or have otherwise been exempted from ceiling and other staff manpower controls. With this exclusion, annuitants, whether retired from this Agency or any other agency of the Government, may be hired and used in any appropriate contractual capacity for which there is a requirement and for which they are preeminently qualified. The Director of Personnel shall monitor all contract employee assignments with respect to appropriateness of duties to be performed.
- (2) Contracts of employment with annuitants will normally be written for a term of one year and contain a 30-day termination clause. Renewals will be based on and justified by evidence of continuing need and by demonstrated effectiveness of the annuitant. Requests for renewal will so attest and be approved by the Operating Official concerned.

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### 3. COMPENSATION PRINCIPLES AND GUIDELINES

#### a. EMPLOYEES EXTENDED IN SERVICE

The classification of the position to be occupied shall dictate the grade of an employee extended in service beyond retirement age. If the grade of the position is lower than that of the employee, his grade will be adjusted in accordance with the provisions of the Classification Act of 1949, as amended.

#### b. CONTRACTUAL EMPLOYMENT OF ANNUITANTS

- (1) The classification of staff positions, particularly in the upper grades, is preponderantly based upon managerial, organizational, and supervisory responsibilities. Since contract employees may not perform staff-type duties, these elements of position classification will not normally be present to an equivalent degree in the contractual position, although the latter may have its own similar responsibilities. Accordingly, the gross contractual salary of a reemployed annuitant will normally be lower than that held as a staff employee.
  - (2) The grade of the job to be performed by a reemployed annuitant will be established by normal position classification procedures. If the grade is in excess of GS-15, the approval of the Director of Central Intelligence is required. The salary to be paid for any grade so established shall be negotiated with due regard to the special qualifications of the individual relative to the requirements of the assignment and the effort required of the individual. In no case may the salary exceed that of the step closest to 90 percent of the current salary of the individual's grade and step at time of retirement.
- c. Under present law when a civilian Government employee, retired for longevity, is rehired as an employee, his annuity usually continues but his gross contractual salary is reduced by the amount of the annuity received. A reemployed annuitant may not receive a combination of salary payments and annuity payments which exceed the gross contractual salary of the duties he performs during the period of his reemployment.

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## d. ANNUITANTS ENGAGED AS INDEPENDENT CONTRACTORS

- (1) The contractual fee paid an annuitant under an independent contractor agreement will be determined by the nature and value of the services to be rendered except that the individual's retirement annuity plus the contractual fees paid him during the contract year normally may not exceed 90 percent of the current salary of the grade and step held by the annuitant at the time of his retirement.
- (2) Unless there is a clear and overriding operational justification, no housing expense, cost-of-living expense, or other payments in the nature of benefits and perquisites commonly accorded employees shall be authorized.
- (3) Operational expenses must be specifically authorized in advance by the appropriate authority.
- (4) The contract shall include a clause stating that on request of the Government the individual shall submit to a medical evaluation by a mutually agreed upon physician.
- (5) The independent contractor must not, in fact, be used as an employee.
- (6) An Agency official shall be designated as responsible for monitoring the performance of each independent contractor and to attest annually that the terms of the contract have been met and that full value has been received. Instances of unsatisfactory performance or insufficient value received shall be corrected promptly.

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

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